

Message Text

UNCLASSIFIED

PAGE 01 QUEBEC 00183 011732Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 ICA-20
TRSE-00 OMB-01 EB-08 /086 W
-----038491 011747Z /43

P 312100Z MAY 78
FM AMCONSUL QUEBEC
TO SECSTATE WASHDC PRIORITY 1356
INFO AMEMBASSY OTTAWA PRIORITY
AMCONSUL MONTREAL PRIORITY

UNCLAS QUEBEC 0183

E.O. 11652: N/A
TAGS: PINT, CA
SUBJECT: MOVEMENT ON SALES TAX ISSUE

REF: QUEBEC 178 AND PREVIOUS

1. THERE WERE MORE INDICATIONS YESTERDAY (MAY 30) THAT THE QUEBEC GOVERNMENT IS NOW PREPARED TO REACH A COMPROMISE WITH OTTAWA ON THE SALES TAX QUESTION. FINANCE MINISTER JACQUES PARIZEAU ANNOUNCED THAT DEPUTY MINISTER MICH CARON WOULD UNDERTAKE NEGOTIATIONS IN THE NEAR FUTURE WITH HIS FEDERAL COUNTERPART, MR SHOYAMA. DISCUSSIONS WILL PRESUMABLY INVOLVE PARIZEAU'S LATEST PROPOSAL FOR BREAKING THE FEDERAL PROVINCIAL DEADLOCK, A PROPOSAL THAT PARIZEAU ANNOUNCED

AT A PRESS CONFERENCE LAST FRIDAY. THE PROPOSAL, WHICH WAS VERY SIMILAR TO ONE SUGGESTED BY LIBERAL LEADER CLAUDE RYAN LAST WEEK (REFTEL) INVOLVES AN AGREEMENT THAT OTTAWA WILL, ON A ONE-SHOT BASIS, DIMINISH FEDERAL INCOME TAXES TO PERMIT QUEBEC TO INCREASE ITS OWN TAXES A CORRESPONDING AMOUNT IN ORDER TO COLLECT THE 225 DOLLARS MILLION WHICH IS THE PROVINCE'S DUE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 QUEBEC 00183 011732Z

2. ACCORDING TO THE DEVOIR TODAY, CARON WILL HAVE A BROADER MANDATE THAN SIMPLY TO TRANSIT QUEBEC'S PROPOSAL OR TO RECEIVE OTHER PROPOSALS FROM OTTAWA. HE WILL, IN FACT BE EMPOWERED TO NEGOTIATE, OR AT LEAST DISCUSS, ANY COMPROMISE PROPOSALS WHICH MAY ARISE.

3. COMMENT: THE DECISION TO REOPEN DIRECT CONTACTS WITH

OTTAWA ON THE SALES TAX ISSUE BRINGS TO AN END A SEEMINGLY
INTERMINABLE PERIOD WHEN BOTH GOVERNMENTS WERE TALKING TO
THE PRESS AND PUBLIC RATHER THAN TO EACH OTHER. IT NOW
APPEARS THAT THE PQ HAS DECIDED THAT THE ISSUE HAS BEEN
MILKED TO MAXIMUM POLITICAL ADVANTAGE AND THE TIME IS RIPE FOR
COMPROMISE. PARIZEAU'S PERSONAL STOCK IN THE PARTY, INCIDENTALLY,
HAS SOARED CONSIDERABLY AND HE WAS GIVEN A HERO'S WELCOME BY
PARTY FAITHFULS REUNITED IN QUEBEC CITY OVER THE WEEKEND
FOR THE ANNOUNCEMENT OF THE RESULTS OF THE PARTY'S SPRING FUND-
RAISING CAMPAIGN (BEING REPORTED BY SEPTEL). BOSWELL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, TAX LAW, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978QUEBEC00183
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780229-1031
Format: TEL
From: QUEBEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978053/aaaaabzu.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3d984698-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 QUEBEC 178
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2605445
Secure: OPEN
Status: NATIVE
Subject: MOVEMENT ON SALES TAX ISSUE
TAGS: PINT, CA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3d984698-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014